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Subject: EGRPRA

Subject: Reporting, Recordkeeping, and Disclosure Requirements

§103.22 (b) Transactions of exempt persons,
(3) Initial Designation of exempt person & (5) biennial filing with respect to certain exempt persons.

These portions of the Bank Secrecy Act require a bank to submit a report of Designation of Exempt person both at the time of initial filing and biennially for Phase II customers that we have elected to designate as exempt from reporting requirements. My comment relates to the lack of availability of information sharing between the Department of the Treasury and the banks who have filed designations.

I took over as our bank's BSA Officer in September of 2004. The previous person responsible for BSA had since left the bank. Upon reviewing the file that contained records of all prior designations, I was never certain that I had all the forms that evidenced the bank had renewed designations by the timing guidelines. I assumed they were filed since it was not mentioned during a BSA examination but there should be an effective and efficient way for a bank to obtain information on designations that have been filed. A process should be developed that would allow a bank to request the name of the customer exempted, the date of either the initial designation or the date of the most recent biennial refiling, and the reason for designating the customer as exempt.

Examiners have access to this information before they come in to conduct an exam. There is an element of surprise when they have access to something that I, myself cannot obtain. This is disconcerting because as the new BSA officer it is not for lack of trying to comply with any provision of the Bank Secrecy Act, it is simply that I may not know what a previous employee has filed and I want to be able to obtain that information. This relationship should work both ways to facilitate communication between the Department of the Treasury and the banks. I realize that myself and my bank could be held liable for the actions of a previous employee whose recordkeeping left a little to be desired.

I have heard similar stories from other BSA officers where they have been assigned the position because someone has quit, passed away, or simply because someone has been moved to another department within the bank. We are left at the mercy to deal with the paperwork we inherit. We also know that recordkeeping is a very important part of BSA and we are all trying to comply...but we are not able to update our records since we don't have access to this information. Our bank is part of a holding company. A bank within our holding company was cited in a BSA exam for not refiling a Phase II designation in a timely manner on one customer and not filing an initial designation on another customer. In this situation the previous BSA officer had passed away and they only had the records she had maintained. In this instance the new BSA officer was under the impression that the proper paperwork had been filed but could not evidence that

because she could not get copies of the filings. This lead to a violation and extensive backfiling.

We need to make a change. If bank's want to improve upon their bank's recordkeeping and work to ensure all forms have been filed accurately and on time then there should be an agency willing to work with those of us who are requesting this information to try and comply with the recordkeeping requirements and to ensure that we are all on the same playing field. The examiners should not be the only ones with the ability to access the information that WE provided, we should have access to our own information.

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